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**Indiana Department of
Insurance**

News Release

Getting Back On the Road – How Does Auto Insurance Respond to Flood Damage?

Indianapolis, IN, June 13, 2008:

In the wake of Indiana's worst flood since 1913, the number of vehicles damaged and disabled by the onrushing waters has reached record numbers. Governor Mitch Daniels, recognizing that the repair and return of these vehicles can be critical to Hoosiers returning to work and recovering from the disaster, has directed the Indiana Department of Insurance to provide guidance for those thousands of flood victims with inoperable vehicles as to what insurance benefits are possible.

"The initial step for anyone with a vehicle disabled by the flood is to contact their auto insurance agent," said Commissioner Jim Atterholt. Flood damage to a vehicle is covered under an auto policy if the policyholder has "other-than-collision" coverage, which is commonly referred to as "comprehensive coverage." Usually a policyholder will have to pay a deductible, but if they purchased comprehensive coverage the repair cost above the deductible will be covered.

In this day of direct marketing insurance (no agent involved) it may be necessary for the policyholder to contact their auto insurance company directly.

"The insurance company will cover towing costs only if the policyholder purchased a separate endorsement (an endorsement is optional additional coverage available for purchase). Again, it is important to confer with the agent or company, as these endorsements often have mileage or destination limitations," warned Atterholt.

The cost of renting a replacement vehicle while your flood damaged car is being repaired may also be the subject of a separate endorsement. However, unlike towing coverage in some instances transportation replacement costs can be included as part of your base policy, so make sure to ask your agent or company specifically about this benefit.

The magnitude of the flooding means that auto repair shops, as well as claims agents, will be backed up and normal response times will be extended. Patience will be needed but if you feel that your agent or company has not been reasonable or fair in their response the Commissioner directs you to the Consumer Protection Unit of his office at 1-800-622-4461. You may also file a complaint online by visiting our website <http://www.in.gov/idoi/2328.htm>

Finally, if your vehicle is damaged beyond repair and "totaled" by your insurance company, the company will apply for a salvage title on the customer's behalf, remove the customer's name, and then reimburse the customer accordingly. If the vehicle is not replaced, the flood victim may apply for a refund of the unused portion of the registration fees at any license branch. Please visit the BMV website for more information <http://www.in.gov/bmv>, or call (317) 232-6000.